



GENERAL INSTRUCTIONS TO CANDIDATES

1. Please do not open this Booklet till you are told to do so.
2. If the Question Paper Booklet does not contain 100 questions or if it is not of the medium opted or Answer Sheet is not in good condition, ask for change immediately.
3. Duration of the test is 2 hours.
4. Before commencement of the exam, please fill up the necessary information in the space provided below and also in the answer sheet.
5. Use HB pencil only to darken the circles for answers in the answer sheet.
6. After each question, four alternative answers are given. Choose one of the answers and darken the appropriate circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB pencil.

Marking the Answers	
<p align="center">Example : For Question No. 12, if the candidate considers, the correct answer to be C, he is to mark as shown below (Correct Method)</p> <p align="center">12 (A) (B) ● (D)</p>	<p align="center">Not as shown below (Wrong method) :</p> <p>12 (A) (B) (C) (D)</p> <p>12 (A) (B) (X) (D)</p> <p>12 (A) (B) (C) (D)</p> <p>12 (A) (B) (●) (D)</p> <p>12 (A) (●) (●) (D)</p>

7. Any answer marked in the question booklet will not be considered and no marks will be awarded.
8. If a candidate wants to change the answer already darkened, he should erase it completely, with good quality eraser and ensure that no mark is visible after erasing.
9. For each correct answer, one mark will be awarded. For each wrong answer, 1/4th of the mark earmarked for each question will be deducted. If more than one circle is darkened for a question, it will be treated as wrong answer. For questions not answered i.e. blanks, a zero will be given.
10. Rough work, if any, must be done on the pages, specified as SPACE FOR ROUGH WORK only and nowhere else in the question paper booklet or in the answer sheet.
11. When you have completed, even before time, please remain in your seat. The Invigilator will come to you and collect your Answer Sheet against acknowledgement on the admit card. No candidate can leave the examination hall till the end of the test.
12. Candidate found copying or receiving or giving any help or defying instructions of the Invigilators or having/ using mobile phone or smart watch will be expelled from the examination and will also be liable for further punitive action.
13. This booklet is the property of the Examination Body. Any unauthorized and illegal circulation of its contents in part or in full in any manner whatsoever is strictly prohibited. Candidates involved in such unauthorized and illegal acts are liable to be prosecuted besides being disqualified to appear in any further examinations of the Examination Body.

Time : 2 Hours

Maximum Marks : 100

Total No. of Printed Pages : 19

**Question Paper
Booklet Code**

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Roll No.

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Name of the Candidate

**OMR Answer
Sheet No.**

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Signature of the Candidate

(2)

Space For Rough Work



1. Which of the following is not within the scope of Business Economics?
 - (a) Capital Budgeting
 - (b) Risk Analysis
 - (c) Business Cycles
 - (d) Accounting Standards

2. Microeconomics does not study:
 - (a) Consumer behaviour
 - (b) Factor pricing
 - (c) General price level
 - (d) Firms' equilibrium

3. Under pragmatic approach, microeconomics is abstract and purely _____ nature and takes _____ assumptions.
 - (a) Practical, Unrealistic
 - (b) Practical, Realistic
 - (c) Theoretical, Unrealistic
 - (d) Theoretical, Realistic

4. "Which branch of economics explains economic phenomena based on their causes and effects?"
 - (a) Positive
 - (b) Normative
 - (c) Empirical
 - (d) Applied

5. How does business economics differ from traditional economics?
 - (a) Business economics focuses on individual firm decisions, while traditional economics focuses on the economy as a whole
 - (b) Business economics ignores market behavior, while traditional economics emphasizes it
 - (c) Business economics is purely theoretical, while traditional economics is applied
 - (d) Business economics is only concerned with government policies

6. Rama: My corn harvest this year is poor.
Manoj: Don't worry. Price increase will compensate for this fall in quantity supplied.
Meera: Climate affects crop yield.
Some years are bad, others are good.
Bharti : The Government ought to guarantee that our income will not fall.
In this conversation, the normative statement is made by:
 - (a) Rama
 - (b) Manoj
 - (c) Meera
 - (d) Bharti

(5)

14. Ram wanted to purchase an Apple tab at ₹12,000/-. Actual price in the market (MRP) is ₹ 11,000/- and discount was given at 20%. Also there is an additional cash discount of ₹ 300. Find consumers surplus.
- (a) 3200 (b) 3500
(c) 1000 (d) 3300
15. How would that budget line be affected if the price of both goods fell?
- (a) The budget line would not shift.
(b) The new budget line must be parallel to the old budget line.
(c) The budget line must be shifting to the left.
(d) The new budget line will have the same slope as the original so long as the prices of both goods change in the same proportion.
16. In the book market, the supply of books will decrease if any of the following occurs except:
- (a) A decrease in the number of book publishers.
(b) A decrease in the price of the book.
(c) An increase in the future expected price of the book.
(d) An increase in the price of paper used.
17. When the price of a good increases from ₹ 200 to ₹ 300, the quantity supplied increases from 200 to 2500 units. The elasticity of supply in this case will be:
- (a) Less than one (b) Greater than two
(c) Equal to one (d) Equal to two
18. According to _____, Production is the organized activity of transforming resources into finished products in the form of goods and services, and the objective of production is to satisfy the demand of such transformed "resources".
- (a) James Bates (b) J. R. Parkinson
(c) Marshall (d) Both (a) and (b)
19. Supply of land is :
- (a) Elastic (b) Perfectly Elastic
(c) Perfectly Inelastic (d) Inelastic



20. Which of the following is the best definition of "production function"?
- (a) The relationship between market price and quantity supplied.
 - (b) The relationship between the firm's total revenue and the cost of production.
 - (c) The relationship between the quantities of inputs needed to produce a given level of output.
 - (d) The relationship between the quantity of inputs and the firm's marginal cost of production.
21. Long-run does not have:
- (a) Average Cost
 - (b) Total Cost
 - (c) Fixed Cost
 - (d) Variable Cost
22. Consider the following table:
- | Labour | Total Output | Marginal Product |
|--------|--------------|------------------|
| 0 | | |
| 1 | 100 | 100 |
| 2 | | 80 |
| 3 | 240 | |
- What is the total output, when 2 labour are employed?
- (a) 80
 - (b) 100
 - (c) 180
 - (d) 200
23. Isoquants are negatively sloped & _____ to the origin due to Marginal Rate of Technical Substitution (MRTS).
- (a) Convex, Increasing
 - (b) Convex, Decreasing
 - (c) Concave, Increasing
 - (d) Concave, Decreasing
24. A company produces 10 units of output and incurs ₹ 30 per unit as variable cost and ₹ 5 per unit of fixed cost. What will be its total cost of producing 10 units?
- (a) ₹300
 - (b) ₹35
 - (c) ₹305
 - (d) ₹350
25. Electricity charges include both a fixed charge and a charge based on consumption. It should be classified as _____.
- (a) Fixed Cost
 - (b) Variable Cost
 - (c) Semi-Variable Cost
 - (d) Quasi Cost



26. A firm producing 7 units of output has an average total cost of ₹ 150 and has to pay ₹ 350 to its fixed factors of production. How much of the average total cost is made up of variable cost?
- (a) ₹ 200 (b) ₹ 50
(c) ₹ 300 (d) ₹ 100
27. Which of the following statement is correct?
- (a) Fixed costs vary with change in output.
(b) If we add total variable cost and total fixed cost we get the average cost.
(c) Marginal cost is the result of total cost divided by number of units produced.
(d) Total cost is obtained by adding up the fixed cost and total variable cost.
28. What should firm do when Marginal revenue is greater than marginal cost?
- (a) Firm should expand output (b) Effect should be made to make them equal
(c) Prices should be covered down (d) All of these
29. Which one of the following is not element of market?
- (a) buyer (b) service
(c) firm (d) bargaining for price
30. A seller realizes ₹25,000 after selling 15 units and he realizes ₹35,000 after selling 25 units, what is the marginal revenue here?
- (a) ₹ 2,500 (b) ₹ 100
(c) ₹ 1,000 (d) ₹ 3,500
31. With a given supply curve, a decrease in demand causes:
- (a) An overall decrease in price but an increase in equilibrium quantity.
(b) An overall increase in price but a decrease in equilibrium quantity.
(c) An overall decrease in price and a decrease in equilibrium quantity.
(d) No change in overall price but a reduction in equilibrium quantity.
32. Suppose that a sole proprietor- ship is earning total revenues of ₹1,00,000 and is incurring explicit costs of ₹75,000. If the owner could work for another company for ₹30,000 a year, we would conclude that:
- (a) The firm is incurring an economic loss.
(b) Implicit costs are ₹25,000.
(c) The total economic costs are ₹1,00,000.
(d) The individual is earning an economic profit of ₹ 25,000.

40. The variable that changes after the real income changes is known as _____ indicator.
- (a) Leading (b) Lagging
(c) CO-incident (d) They do not indicate anything
41. Industries that are extremely sensitive to the business cycle are the:
- (a) Durable goods and service sectors
(b) Non-durable goods and service sectors
(c) Capital goods and non-durable goods sectors
(d) Capital goods and durable goods sectors
42. The internal causes of business cycle is:
- (a) Fluctuation in effective demand (b) Technology shocks
(c) Both (a) and (b) (d) None
43. In a particular year, the value of nominal GNP of an economy was ₹9,000 crores. The value of GNP of that economy during the same year, evaluated at the price of the base year, was ₹10,000 crores. The value of GNP deflator for that year in percentage terms was:
- (a) 110% (b) 111%
(c) 90% (d) 10%

44.

Private Income	₹ 10,000
Undistributed Corporate Profits	₹ 2,000
Profit Taxes	₹ 500

What is Personal Income?

- (a) ₹ 7,500 (b) ₹ 8,000
(c) ₹ 8,500 (d) ₹ 10,000
45. The net domestic product at market price of an economy is ₹ 6,400 crores. The Capital Stock is worth ₹ 6,000 crores and it depreciates at the rate of 10% p.a Indirect Taxes amounted to ₹290 Crores, Subsidies amounted to ₹30 Crores, Factor Income from the rest of the world is ₹ 500 crores & to rest of the world is ₹650 Crores. What will be GNP_{FC} ?
- (a) ₹ 7,190 Crores (b) ₹ 6,590 Crores
(c) ₹ 6,330 Crores (d) ₹ 6,180 Crores

46. Which of the following is one of the three commonly accepted methods for calculating a country's national Income?
- (a) Market Realisation method (b) Value Added Method
(c) Import Substitution (d) Inflation Adjustment method
47. What is the value of output on the basis of following information?
- Sales : ₹ 40,000 Lakhs
Closing Stock : ₹ 2,000 Lakhs
Opening Stock : ₹ 500 Lakhs
- (a) ₹ 42,500 Lakhs (b) ₹ 42,000 Lakhs
(c) ₹ 41,500 Lakhs (d) ₹ 38,500 Lakhs
48. Which of the following is not the component of calculating national income through expenditure method?
- (a) Government expenditure (b) Production for self-consumption
(c) Investment expenditure (d) Consumption expenditure
49. In the preparation of State Income estimates, certain activities cut across State boundaries and thus their economic contribution cannot be assigned to any one State directly. These sectors of the economy are known as _____.
- (a) Super regional sectors (b) Supra regional sectors
(c) State balancing sectors (d) Regional sectors
50. In the Keynesian Consumption function $C = a + by$, what may be the value of b ?
- (a) $b = 0$ (b) $b = 1$
(c) $b > 1$ (d) $0 < b < 1$
51. An increase in investment by ₹ 1000 Crores leads to increase in national income by ₹ 2500 Crore. What will be Marginal Propensity to Consume (MPC)?
- (a) 2.5 (b) 0.6
(c) 0.4 (d) None of these
52. $C = 200 + 0.8Y_d$; $G = T = 150$ $I = 200$; $TR = 75$. Find equilibrium income.
- (a) 625 (b) 2450
(c) 2250 (d) 800

53. In an economy, the entire increase in income is spent on consumption. What will be the value of multiplier?
 (a) 0 (b) 1
 (c) Infinity (∞) (d) -1
54. In four sector model, which of the following formula is used to calculate Foreign Trade Multiplier, if b and m refer to marginal propensity to consume and Marginal propensity to import?
 (A) $\frac{1}{1-b-m}$ (B) $\frac{1}{1+b-m}$
 (C) $\frac{1}{1-b+m}$ (D) $\frac{1}{1+b+m}$
55. Which of the following indicates the aggregate demand or the total planned expenditure of consumers, investors, governments and foreigners (Net exports) at each income level?
 (a) $C + Y + G + (X + M)$ (b) $C + I + \text{Tax} + \text{TR}$
 (c) $C + I + G + (X - M)$ (d) None of these
56. In the determination of equilibrium level of national income, which of the following is correct?
 (a) $Y = C + I + G + (X - M)$ (b) $C = a + b(Y - T)$
 (c) $M = \bar{M} + mY$ (d) All of the above
57. In an economy, income generated is four times the increase in investment expenditure. The values of MPC and MPS are _____ and _____ respectively.
 (a) 0.75; 0.25 (b) 0.25; 0.75
 (c) 1.75; 1.25 (d) None of the above
58. Equilibrium income (Y) = 600
 Export (\times) = 20
 Imports (M) = $10 + 0.05Y$
 Calculate Trade balance.
 (A) Surplus (20) (B) Deficit (20)
 (C) Surplus (30) (D) Deficit (30)
59. The redistribution measures should be accomplished with _____ efficiency costs by carefully balancing _____ objectives.
 (a) minimal, equity and efficiency
 (b) minimal, equity and taxation
 (c) maximising, equity and efficiency
 (d) maximising equity and taxation

60. Allocative and Distributive functions of a government is a _____ economic function.
- (a) Micro (b) Macro
(c) Both (d) None
61. In terms of fiscal federalism, introduced by Musgrave, _____ functions should be the responsibility of Central Government and State government & local govt. should be responsible for _____.
- (a) Allocation of resources, Economic Stabilization
(b) Economic Stabilization & income distribution, allocation of resources
(c) Stabilization & allocation, income distribution
(d) None of these
62. GST compensation is given:
- (a) To the industries which have made losses due to the introduction of GST
(b) To compensate for the lower rates of GST on essential items
(c) To the states to compensate for the loss of revenue due to the introduction of GST
(d) To compensate for the loss of input tax credit in manufacturing
63. Read the following statements.
- (I) Social costs are the total costs incurred by the society when a good is consumed or produced.
(II) The external costs are not included in firms' income statements or consumers' decisions.
(III) Each firm's cost which is considered for determining output would be only private cost or direct cost of production which does not include external costs.
(IV) Production and consumption decisions are efficient only when private costs are considered.
- Of the above
- (a) Statements I and III are correct (b) Statements I, II and III are correct
(c) Statement I only is correct (d) All the above are correct
64. What are Pigouvian taxes?
- (a) Pollution Taxes
(b) Corruption Levy Tax
(c) Penalty on over/under production
(d) Anti-profiteering tax

75. Which of the following is not a channel of monetary transmission mechanism?
- Savings & Investments Channel
 - Cash Flow Channel
 - Exchange rate Channel
 - International Trade Channel
76. In India, the term 'Policy rate' refers to:
- The bank rate prescribed by the RBI in its half yearly monetary policy statement
 - The CRR and SLR prescribed by RBI in its monetary policy statement
 - The fixed repo rate quoted for sovereign securities in the overnight segment of Liquidity Adjustment Facility (LAF)
 - The fixed repo rate quoted for sovereign securities in the overnight segment of Marginal Standing Facility (MSF)
77. The Monetary Policy Framework Agreement is an agreement reached between the Government of India and the Reserve Bank of India (RBI) to keep the Consumer Price Index (CPI) inflation rate between _____.
- 1 to 5 per cent
 - 2 to 6 per cent
 - 3 to 5 per cent
 - 4 to 6 per cent
78. During deflation:
- The RBI reduces the CRR in order to enable the banks to expand credit and increase the supply of money available in the economy
 - The RBI increases the CRR in order to enable the banks to expand credit and increase the supply of money available in the economy
 - The RBI reduces the CRR in order to enable the banks to contract credit and increase the supply of money available in the economy
 - The RBI reduces the CRR but increase SLR in order to enable
79. Given the number of labour hours to produce wheat and rice in two countries and that these countries specialise and engage in trade at a relative price of 1:1. what will be the gain of country X?
- Labour Cost (hours) for production of one unit
- | | Wheat | Rice |
|-----------|-------|------|
| Country X | 10 | 20 |
| Country Y | 20 | 10 |
- 20 labour hours
 - 10 labour hours
 - 30 labour hours
 - Does not gain anything

80. The theory given by Swedish economists "Eli Heckscher and Bertil Ohlin" is also known as:
- (a) The Heckscher – Ohlin theory of trade
 - (b) Factor - Endowment theory of trade
 - (c) Modern theory of trade
 - (d) All of the above
81. Dumping occurs when manufactures sell goods in a Foreign country _____.
- (a) Below the Sales prices in their domestic market
 - (b) Below their full average cost of the product
 - (c) Free of cost
 - (d) Either (a) or (b)
82. _____ is calculated on the basis of both the value of the imported goods (an *ad valorem* duty) and a Unit of measure of the imported goods (a specific duty).
- (a) Compound Tariff
 - (b) *Ad valorem* Duty
 - (c) Technical Tariff
 - (d) Tariff Rate Quotas
83. 'Bound tariff' refers to:
- (a) clubbing of tariffs of different commodities into one common measure.
 - (b) the lower limit of the tariff below which a nation cannot be taxing its imports
 - (c) the upper limit on the tariff that a country can levy on a particular good, according to its commitments under the GATT and WTO.
 - (d) the limit within which the country's export duty should fall so that there are cheaper exports
84. Which of the following is NOT a member of G20?
- (a) Italy
 - (b) Japan
 - (c) Australia
 - (d) Pakistan
85. Number of units of a foreign currency can be exchanged for one unit of local currency is referred to as _____
- (a) Direct Quote
 - (b) Indirect Quote
 - (c) European Currency
 - (d) Cross Quotes

86. 'The nominal exchange rate is expressed in units of one currency per unit of the other currency. A real exchange rate adjusts this for changes in price levels'. The statement is:
- (a) wholly correct
 - (b) partially correct
 - (c) wholly incorrect
 - (d) None of the above
87. Based on the supply and demand model of determination of exchange rate, which of the following ought to cause the domestic currency of Country X to appreciate against dollar?
- (a) The US decides not to import from Country X
 - (b) An increase in remittances from the employees who are employed abroad to their families in the home country.
 - (c) Increased imports by consumers of Country X.
 - (d) Repayment of foreign debts by Country X.
88. A foreign direct investor:
- (a) May enter India only through automatic route
 - (b) May enter India only through government route
 - (c) May enter India only through equity in domestic enterprises
 - (d) Any of the above
89. In 1954, India signed a long-term agreement with the US for food aid, What was the name of this agreement?
- (a) PL-480
 - (b) PL-440
 - (c) PL-420
 - (d) PL-400
90. The government nationalized 14 banks in _____ and then followed it up with nationalizing another 6 in _____.
- (a) 1967, 1977
 - (b) 1969, 1980
 - (c) 1980, 1969
 - (d) None of the above
91. The number of capital goods items included in the OGL list expanded steadily reaching 1,329 in April 1990. What is the full form of OGL?
- (a) Open General License
 - (b) Other Goods List
 - (c) Open Goods List
 - (d) Other General List

92. According to the latest estimates, _____ of India's population is directly dependent on agriculture for living.
- (a) 30% (b) 40%
(c) 47% (d) 72%
93. APEDA is entrusted with the responsibility of export promotion of Agri products. What is the full form of APEDA?
- (a) Agricultural and Processed Food Export Development Authority
(b) Agricultural and Processed Fund Enriching Development Authority
(c) Agri and Products Facilitator Export Development Authority
(d) Agri and Products Food Export Development Authority
94. FAME-India Scheme aims to:
- (a) Enhance faster industrialization through private participation
(b) To promote manufacturing of electric and hybrid vehicle technology
(c) To spread India's fame among its trading partners
(d) None of the above
95. Merchandise Exports from India Scheme was replaced by _____
- (a) Remission of Duties and Taxes on Export Products (RoDTEP) in 2021
(b) National Logistics Policy (NLP) in 2020
(c) Remission of Duties and Taxes on Export Products (RoDTEP) in 2019
(d) None of the above
96. India's rank in the Global Innovation Index (GII) improved to 40th in 2022 from _____ in 2015.
- (a) 71st (b) 81st
(c) 91st (d) 99th
97. Which of the following Sector contributes maximum to India's Gross value added?
- (a) Primary sector (b) Secondary sector
(c) Tertiary sector (d) All of the above

